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C O N F I D E N T I A L SECTION 01 OF 04 VIENNA 000075

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TAGS: [AU](#) [ENRG](#) [ETTC](#) [PREF](#) [PREL](#) [UNSC](#) [AF](#)

SUBJECT: AMBASSADOR'S FAREWELL CALLS AT FOREIGN MINISTRY

REF: A. STATE 4387

[B](#). VIENNA 66

[C](#). STATE 2539

[D](#). VIENNA 44

Classified By: Charge d'Affaires Scott Kilner for reasons 1.4(b) and (d)
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[1](#). (C) In separate farewell calls on January 16 with both new Foreign Minister Michael Spindelegger and long-standing MFA Secretary General Johannes Kyrle, Ambassador Girard-diCarlo reviewed the top items on the US agenda with Austria: cooperation in the UN Security Council, Iran, energy security, Afghanistan, and counter-terrorism cooperation. The Ambassador also took advantage of the meetings to deliver Ref A demarche regarding the US-Israeli MOU on arms smuggling into Gaza, as well as Ref C concerning refugee processing of Yemeni Jews. From the Austrian side, most noteworthy was a new, firmer tone regarding commercial dealings with Iran. The Minister also said that he "personally" favored an Austrian contribution to support Afghan elections, but was not in a position to commit the entire government yet. Ambassador was accompanied by DCM to both meetings. End summary.

UN SECURITY COUNCIL

[2](#). (C) Ambassador Girard-diCarlo stated that the United States welcomed Austrian membership on the UNSC as a non-permanent member. We looked forward to the closest possible cooperation. Such membership imposed new responsibilities upon Austria, as its policies and positions would be closely watched by many countries. The Ambassador said that, especially through the recent debate over the Indian nuclear safeguards agreement in the IAEA and an Indian exception in the NSG, he had seen how carefully the GOA formulates its positions on important multilateral matters - and how much Austria's voice can influence the stance of other countries. We also had extremely high regard for the capabilities of Austria's new UN Permrep, Thomas Mayr-Harting, with whom the Embassy had worked closely in Vienna. In this context, the Ambassador appealed for a policy of "no surprises" in both directions.

[3](#). (C) Spindelegger and Kyrle both thanked the Ambassador for these views and stressed their desire to work very closely with the U.S. in New York. Kyle noted that the flow of information between permanent and non-permanent members of the UNSC was "not always easy." Insufficient information about discussions among the P-5 was a continuing challenge for non-permanent members. The more informed Austria was of U.S., UK and French views, in particular, the more the GOA could "orient its positions" toward these natural allies. Kyrle stressed that Austria wanted to be a "predictable" partner on the Council. The

GOA would give special attention to "rule of law" and "human rights" issues, and would also consult closely with its EU partners in formulating its positions. Underlining Austria's continuing strong commitment to the United Nations, Kyrle stated that the GOA hoped the next U.S. Administration would ratify the CTBT.

IRAN

¶4. (C) The Ambassador said we were encouraged by firm public statements Minister Spindelegger had made recently regarding Iran (Ref D), which made clear his opposition to energy contracts with Iran in present political circumstances. It was impossible to overestimate the importance and sensitivity of dealing with Iran appropriately. On many occasions, we had raised our concerns over continuing Austrian commercial interests in Iran, in particular the activities of two companies - OMV and Raiffeisen Bank. The Ambassador asked that the GOA, as UNSC members, be "even more mindful" of how such activities are perceived. "It is simply not credible," the Ambassador stated pointedly, "if you tell us that the government has no sway over major private sector companies in Austria. Such statements are not well received in Washington." The U.S. "respectfully requests" that you keep the pressure on these companies. We did not want an armed conflict with Iran, but support for sanctions had to be solid if we were to retain any negotiating leverage vis-a-vis the Iranians. The Ambassador added that the Embassy would continue to talk

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directly to Austrian companies, as necessary, but we would always keep the GOA informed of those discussions.

¶5. (C) Spindelegger said he had no doubt that Iran would be one of the "big issues" in the Security Council during Austria's tenure. With regard to the activities of Austrian companies, the Minister said he and President Fischer had also heard a lot on this subject from the Israeli government during their recent trip to the Middle East. Spindelegger said he wished to speak "very frankly." He had met personally with OMV President Ruttenstorfer and told him quite plainly that now was not the time to go forward with the framework agreement on the South Pars project. He had similarly told the heads of leading Austrian banks that now is a time for caution in dealings with Iran. Spindelegger said he had also spoken with the Ministry of Finance, through which the GOA exercises its 31% ownership voice in OMV, about Iran and that the MOF "is of the same view."

¶6. (C) Separately, SecGen Kyrle also emphasized that the MFA's position on Iran was "absolutely clear." The Minister's public remarks had been "no accident." He cautioned, however, that OMV "was in a difficult position" following the failed merger attempt with Hungary's MOL, as well as thwarted initiatives in Croatia. Kyrle, moreover, seemed less certain than the Minister that other parts of the Austrian government would be as clear as Spindelegger regarding business with Iran. Kyrle also emphasized that the Ministry of Finance would be key, as the governments institutional interface with OMV and Austrian banks. (Note: On January 19, Ambassador and DCM used a call on Finance Minister and Vice Chancellor Josef Proell to once more review the importance of a firm GOA approach toward Austrian commercial engagement with Iran. "Austria must not become an outlier," the Ambassador stressed. Proell assured the Ambassador that he was sensitive to our concerns and had spoken to OMV and Austrian banks regarding the matter. OMV, according to the minister, was focusing its efforts on Kazakhstan and Turkmenistan, not Iran, at this time. End Note.)

ENERGY SECURITY

¶17. (C) In the context of the exchange on Iran, Spindelegger stressed the high importance of USG support for alternative gas sources for the Nabucco pipeline project, especially from Turkmenistan and Iraq. The Ambassador emphatically agreed that energy security was a critical issue for Europe and for the United States, and that Austria had a very important role to play. The U.S. would continue to lend the Nabucco project strong support. The upcoming Nabucco summit in Budapest (January 28) would be an important event, in our view, and we hoped that Austria would participate at the "highest level" of representation. The Ambassador said the recent gas dispute between Russia and Ukraine made the importance of Europe's developing alternative energy sources painfully obvious to all. He stated that Russian statements ascribing a hidden USG hand to Ukraine's actions were "poppycock, baloney, and ridiculous." The Minister agreed.

¶18. (C) Responding to the same points, SecGen Kyrle expressed doubt that the Nabucco project would be viable without gas from Iran. Trans-Caspian gas, in his view, remained a distant vision. In any case, Russia would remain Europe's overwhelmingly dominant gas supplier under any scenario. The EU needed to be more unified on energy policies, and Europe and the United States needed to work more closely together.

AFGHANISTAN

¶19. (C) Underlining the high importance of Afghan elections that will take place later this year, the Ambassador made a strong appeal for Austrian support. We were aware of the capacity constraints on the Austrian military, but nevertheless would ask that Austria find a way to be helpful. There were many alternatives besides a purely military contribution. Spindelegger agreed with the importance of the issue, stating, "Personally, I think we should do something." Capacity limitations on the military were real, however, especially since Austria's deployment in Chad. The question, however, was under active consideration within the government, and Spindelegger predicted that a decision would be made soon.

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COUNTER-TERRORISM COOPERATION

¶10. (C) The Ambassador told his interlocutors that the Embassy would continue an active dialogue with the Ministries of Interior and Justice to try to strengthen cooperation against terrorism. We had no specific request of the MFA at this time, but we would keep them abreast of discussions and perhaps ask for assistance if we encountered "reluctance" (i.e. at the Ministry of Justice) later on. (Note: Ambassador also underlined our desire for closer CT cooperation directly with Interior Minister Fekter during a January 19 farewell call.)

YEMENI JEWS

¶11. (C) The Ambassador alerted both Spindelegger and Kyrle to the situation of Yemen's small Jewish community and the United States' commitment to resettling those who wished to come to the U.S (Ref C). Israel was also willing to resettle members of this group. The numbers were limited ("in the hundreds, not thousands"), and we were hopeful

that the refugee processing could be accomplished entirely in Yemen. Nevertheless, we wanted to have a back-up plan in case the situation worsened substantially. Given our long and positive bilateral cooperation in processing US-bound Iranian religious minorities in Vienna, Austria seemed to us a favorable back-up in the case of Yemen. In this context, the Embassy's Consul General would like to follow up with more detailed discussions with the MFA. Neither Spindelegger nor Kyrle raised any objection. (Note: Ambassador and DCM also raised this issue during a January 19 farewell call on Interior Minister Fekter. Fekter responded positively, saying that her ministry would be open to such refugee processing in Vienna, provided that A) the program did not involve requests for permanent resettlement in Austria, and B) all Yemeni refugees had been appropriately vetted to ensure that they did not present a security risk. End Note.)

US-ISRAELI M.O.U. ON GAZA ARMS SMUGGLING

¶12. (C) Also regarding the Middle East, as reported in Ref B, the Ambassador told the Austrians that the U.S. and Israel on that day planned to sign an MOU pledging closer cooperation on ending arms smuggling into Gaza. The MOU would be an important element in enabling the Israeli government to conclude a cease fire agreement. Both Spindelegger and Kyrle underlined the urgent necessity of bringing the conflict in Gaza to an end immediately. Kyrle reiterated his view that nothing did more to fuel terrorism in the Islamic world than the unresolved dispute between Israel and the Palestinians.

OTHER ISSUES: EU REFORM AND
ENLARGEMENT, GUANTANAMO

¶13. (C) SecGen Kyrle also raised with the Ambassador the critical importance of EU ratification and implementation of the Lisbon Treaty. Europe needed this badly to function more efficiently (especially with respect to rotating Presidencies) and to make further enlargement feasible. Kyrle reiterated Austria's continued commitment to seeing the entire Western Balkans join the Union, "Otherwise the region will just bring us one problem after another." Turkey was another matter, however. The concept of "absorption capacity" that former Chancellor Schuessel had introduced remained fully relevant. Countries like Norway and Switzerland had excellent relations with the EU without being full members; the same could be the case for Turkey.

¶14. (C) Finally, Kyrle also raised the issue of resettling Guantanamo detainees, which had become an active subject of discussion within the EU. Such individuals, he stressed, "would have to be watched carefully," and he wondered whether this was feasible within the Schengen zone. Kyrle concluded, however, that this was a decision that would clearly be made at the political level by EU member governments.

COMMENT

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¶15. (C) On the eve of a new Administration in Washington and a changing of the guard at Embassy Vienna, we believe this tour d'horizon with Austria's new Foreign Minister and his deputy to have been both timely and useful. In terms of Austrian reaction to the Ambassador's presentation, we were struck by the clarity of FM Spindelegger's opposition to Austrian commercial initiatives with Iran under current circumstances. While

it is too early to say whether this approach will be reflected throughout the government, we are cautiously optimistic that the MFA will be a more helpful voice than it was under FM Plassnik.

GIRARD-DICARLO